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RUEHLO/AMEMBASSY LONDON IMMEDIATE 1026
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S E C R E T UNVIE VIENNA 000611

SIPDIS

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TAGS: KNP IAEA ENRG TRGY AORC SY

SUBJECT: IAEA/TC: LIKE-MINDED MOVE TOWARD CONSENSUS ON
DELAYING SYRIAN NUCLEAR POWER PLANT FEASIBILITY STUDY
PROJECT

Classified By: Ambassador Gregory L. Schulte, reasons 1.4 (b)
and (d)

¶11. (S) SUMMARY: On November 18, Mission met with like-minded counterparts to discuss the Agency's request to approve a Syrian technical cooperation (TC) project SYR/0/020 Conducting a Technical and Economic Feasibility Study and Site Selection for a Nuclear Power Plant during the November 24-26 TACC. Mission reviewed technical concerns (per technical paper sent to ISN/RA) about incoherent project design, pre-determined positive outcomes of a study leading to site development, lack of transparency on the procurement component, inconsistent interpretation of IAEA Milestones, possible proliferation concerns, and lack of Secretariat's judgment during the project pre-qualification phase. Msnoffs shared USG views that the project was ill timed and should not be included in the TC Program Cycle 2009-20011. All attendees, UK, Germany, France, Australia, Canada, and Japan, noted their concerns about project design but expressed great skepticism about any effort to kill the project outright. Japan expressed the most concern noting the lack of legal grounds to "single out" Syria and warned against politicizing TC. Msnoffs pushed counterparts to speak with the Secretariat about concerns prior to the TACC and include questions and concerns about the project in their TACC interventions. Msnoffs also noted other options to curb Syria's access to TC in this area would be to delay the project to give the Secretariat time to answer Member States questions resulting in a review of the project at the 2010 TACC or a recasting of the project to drop the procurement component and resolve inconsistencies. In response to Mission's suggestion that the like-minded should indicate at the TACC an unwillingness to join consensus on the proposed TC cycle if it includes this project, the group consensus seemed to be that there is little possibility to kill the project, but that a delay in approving the project might be feasible given all the questions surrounding its scope. Germany observed, however, that pushing for a delay would imply a willingness to approve the project at some future date if/if the Secretariat addresses our concerns about the project design. (Comment: Germany's point is well-taken, but delay of even one year, for example, might allow the safeguards investigation to generate a heightened level of concern/evidence regarding Syria's attempt to build a covert reactor at Al-Kibar. End Comment) The U.S. also raised the prospect of a Board resolution which elicited some reservations from the UK. France and Australia are supportive, but Australia indicated it was disinclined to take the lead. Ambassador has re-engaged with the Australian PR on this. END SUMMARY

FRANCE

¶12. (S) France expressed great concern about the ill-designed project proposal noting that there are many technical inconsistencies, including lack of transparency for the procurement component and a mismatch between the project and the IAEA "Milestones" for states considering nuclear power. France shared that one of the first "actions" under the project will be to send an Agency team to Syria to explain the Milestones document, yet the project as it stands now presumes the Syrians can move through multiple phases. The French mission has not received final instructions, however, mission rep believed they would raise many questions during their TACC intervention. (Comment: France's position is complicated by opposition to pressing this issue from some in the EU. End Comment) French Mission rep also noted the tension between technical and political considerations and felt that some may perceive this as a targeted attack.

CANADA

¶13. (S) Canada admitted that as they receive more information about the project their concerns are growing and promised that they too will ask questions during their TACC intervention. Canada also sees the Secretariat as somewhat "careless" in putting this project forward. Canada did not weigh in on killing the project, however, they joined the group in noting that a delay may be possible.

United Kingdom

¶14. (S) The UK flatly stated that this is not the right time for the project given the on-going investigation. The UK rep noted that project denial by the TACC would be a hard fought battle with little chance for a positive outcome. On tactics to delay the project, UK rep anticipated a TACC intervention raising concerns and many questions.

JAPAN

¶15. (S) Japan voiced the most reservations about attempts to kill the TC project because it feels member states have no legal basis to hold Syria to "different guidelines" than other member states. Japan also observed that any action by the like-minded group would be perceived in a negative light, double standard, etc. Japanese Counselor was more amenable to technical objections to the TC project but noted that having Secretariat involvement in Syria's nuclear sector may serve our interest in keeping tabs on the Syrian program. Japan said they have received no instruction to raise Syria at the TACC, but thanked msnoffss for bilateral USG efforts with the Secretariat and for the paper distributed on technical concerns.

GERMANY

¶16. (S) Germany shared like-minded concerns and was uneasy about the project from a "political" perspective. However, German DCM Kemmerling raised a salient point about objecting to the Syrian project from a technical vice "political" standpoint, and noted potential tradeoffs between the two approaches. Technical objections could lead to a re-design of the project, and he asked whether we were prepared to live with that from a political perspective? Australia acknowledged Germany's point and worried that the technical arguments alone may not be sufficient for a delay. The "man on the street test" (i.e. giving assistance for a nuclear reactor to a country under investigation for a clandestine

reactor) is simpler, Australian DCM Kruse observed, and we should not lose sight of the overall point that this was politically inappropriate. He thought the Board could exercise its discretion in this matter. Though others would raise the Statutory prohibition on subjecting assistance to "political considerations," he noted that the NPT does not presume an unqualified right to nuclear energy. (Comment: Article III C of the Statute speaks of political considerations or conditions "incompatible with the provisions of this Statute." A narrow legal reading of XII.C would allow curtailment of assistance only in the case of persistent noncompliance, and only after the Board has reported that noncompliance to the UNSC and given the member state a "reasonable" period of time to take corrective action. End Comment)

¶ 7. (S) Germany reported that during a conversation with Agency experts it was told that the whole project is considered, by the Secretariat, to be within Milestone 1. Germany also shared specifics on the procurement component noting that a gamma spectroscope, micro earthquake monitoring equipment, safety equipment for the MNSR, and the design of a management system for MNSR use are anticipated procurement expenditures. Mission noted in response that the Secretariat had told us that the project spanned at least the first two phases of Milestones and that the Syrians had already informed the Agency of a national decision to pursue nuclear energy. These statements conflicted with what Germany had heard, a fact which served as a good microcosm of the inconsistencies inherent in this "feasibility study" project.

AUSTRALIA

¶ 8. (S) Australia joined the group in expressing great reservations about design of the project noting its many inconsistencies. Australia acknowledged Japan's point that it is good Syria is requesting TC, rather than building a clandestine reactor. However, Australia said it would be

reluctant to only focus on technical concerns since Syria is currently under investigation. Australia has no final instructions for the TACC, but DCM Kruse anticipated they would also raise questions. Looking ahead, he also felt a delay may be possible.

Syrian Resolution at Board

¶ 9. (S) Nuclear Counselor presented the idea, pending the DG report, of a Board resolution which would note the concerns in the report, urge Syria to cooperate, and at a minimum inscribe this as a regular verification item on the Board's agenda. UK Msnoff noted some informal reluctance in London, pending the DG report, including concern about whether a resolution was premature at this stage of the investigation and the potential for backlash. In essence, the UK was not sure the DG report would be strong enough to warrant a resolution. The UK also did not want to detract from the Board's focus on Iran, to which the U.S. replied that the DG report on Iran was expected to be short with little prospect for Board action. Nevertheless, the UK had done a rough vote count on a Syria resolution of 18 potentially in favor, 6 against and 11 on the fence. Germany did not want to set a precedent of a "split" Board, which could affect Iran discussions. While consensus was unrealistic, Kimmerling stressed gaining the support of some of the more important countries on the Board.

¶ 10. (S) Off-line French DCM Gross (not present) was supportive of a Board resolution, though at the meeting French Counselor suggested fall-back options such as insisting on an agenda item in Chair's summary or in a like-minded letter. Msnoff noted that such fall-backs were technically not binding on the Secretariat.

¶11. (S) Australia saw logic in pursuing a resolution and would support like-minded efforts, but Australian DCM declined the suggestion that Australia could be the lead sponsor. (Note: The Australian Ambassador, approached earlier, had not ruled out doing so. New Zealand is another option as a potential sponsor. End Note)

COMMENT

¶12. (S) Mission will submit septel, after reviewing the pending DG's report on Syria, an updated strategy for efforts to disapprove the Syrian nuke power feasibility study and for adopting a Board resolution on the ongoing safeguards investigation in Syria.

SCHULTE